

STATE OF VERMONT  
PUBLIC SERVICE BOARD

Docket No. 6812

Petition of Entergy Nuclear Vermont Yankee, LLC  
and Entergy Nuclear Operations, Inc., for a certificate  
of public good to modify certain generation facilities  
at the Vermont Yankee Nuclear Power Station in  
order to increase the Station's generation output

PREFILED TESTIMONY OF DAVID F. LAMONT  
IN SUPPORT OF THE MEMORANDUM OF UNDERSTANDING  
ON BEHALF OF THE  
VERMONT DEPARTMENT OF PUBLIC SERVICE

November 5, 2003

Summary: The purpose of Mr. Lamont's testimony is to present his analysis of the monetary  
benefit of the revenue sharing funds resulting from the Memorandum of Understanding

Prefiled Testimony  
of  
David F. Lamont

1 Q. Please state your name and place of business.

2 A. My name is Dave Lamont and I am a power supply planner at the Department of  
3 Public Service.

4 Q. Have you previously testified in this proceeding?

5 A. I submitted prefiled testimony on August 19, 2003 and September 26, 2003. I testified  
6 before the Public Service Board on October 17, 2003.

7 Q. Have you analyzed the monetary benefit from the revenue sharing mechanism created by the  
8 Memorandum of Understanding?

9 A. Yes. My analysis is attached as Exhibit DPS-DFL-5.

10 Q. Please explain the analysis.

11 A. My analysis uses the estimated energy production from the uprate and applies the  
12 various adjustments from the MOU to develop an anticipated revenue stream. Lines 1 through  
13 3 estimate the annual energy production expected from the uprate. I assumed that 70 MW  
14 would come online in October 2004 and an additional 50 MW would come online in October  
15 of 2005.

16 Line 5 adjusts the PPA price downward by \$11/Mwh. Line 9 represents the DPS mid  
17 2003 price forecast adjusted by \$1.56 which is the sum of the average loss and congestion  
18 adjustments at the VY node since the beginning of SMD pricing. This is a reasonable estimate  
19 of the amount Entergy should receive for the uprate power delivered at the VY node and sold

1 through contract or sales on the spot market.

2 Line 11 is an estimate of the revenue per Mwh which will likely be applied to the fund.

3 Line 14 computes 50% of the revenues for 20% of the uprate power. In 2004, \$200,000 is  
4 added to represent the one time start up payment from Entergy. Lines 15 and 16 represent,  
5 respectively, the NPV and sum of those dollar amounts.

6 Q. Does this conclude your testimony?

7 A. Yes